GUIDE TO

Selecting an Electronic Payments Vendor

enlyte

Today's workers' compensation and auto casualty payors are bogged down by paper. Despite the challenges, significantly reducing paper checks from the claims process can provide many benefits—improved data quality, higher efficiency rates, state compliance, and easy compliance to future regulations.

According to Mitchell data, customers that have implemented an electronic payment solution successfully **reduced payment costs by 60% or more.**

One effective, simple strategy to reduce costs and increase efficiency is implementing an electronic payment system. This supports a medical claims workflow where payment, fulfillment, remittance and filings help carriers eliminate paper checks and the administrative burdens that comes with it.

Are you looking to go paperless but don't know where to start?

Selecting a vendor for electronic payments can be challenging, as there are many criteria and categories to consider. Mitchell is here to help. Over the years, we have evaluated multiple electronic payment vendors and studied the market in great depth, utilizing our market-leading data assets and our compliance expertise. As a result, we've compiled a guide to help navigate the process of choosing the right payment vendor for your operation.

The Most Important Questions to Ask When Evaluating ePayment Vendors

An electronic payment vendor should do more than just transmit payment for medical bills electronically. By asking the right questions, you can get a more accurate picture of the way an ePayment vendor operates and make sure you are making the best selection for your business. There are many considerations and criteria from cost, to existing claims and bill review system integrations, to compliance, and provider engagement. To better identify the right partner for your organization, we recommend focusing on these three important areas: payment compliance, bill review integration and provider engagement.

1 Payment Compliance

Most states have specific regulations regarding electronic payment transmission as well as what documentation and standards must accompany the payment, even depending on payment modality. Ask the following questions to find out how a payment vendor complies with ePayment regulations.

☐ Does the payment vendor distribute compliant Explanations of Review (EOR's) along with any state-required forms (e.g. NF-10 forms)?

Within the property and casualty industry, EOR's and state-required forms are highly regulated. By ensuring your payment vendor is delivering compliant EOR's, state fines can be avoided. A good approach for compliant payments is for the payment vendor to leverage either the EOR from the bill review vendor or as determined by the claims organization's internal compliance organization or authority.

☐ Who is responsible for monitoring the regulatory landscape as it relates to electronic payments and ensuring payments are compliant?

Regulations concerning payments in the property and casualty market are constantly changing. Outsourcing payments to an organization that is focused specifically on the property and casualty industry and that proactively monitors payments will minimize a claims organization's risk of being out of compliance.

Outsourcing electronic payments to a property and casualty focused organization that proactively monitors payments will minimize compliance risks.

2 Bill Review Integration

Make sure to ask the payment vendor about the system integrations between their solution and your other technologies.

☐ **How does the payment solution integrate with bill review and claims systems?**

A smooth integration between the electronic payment solution and the bill review and claims systems can help deliver payment and remittance information in a seamless manner. The bill review system should act as a centralized hub and single source of truth for payment information for all three systems, facilitating reciprocal communication to help maintain compliant payment and remittance information. This creates a closed loop on every bill within a single ecosystem reducing complexity and cost. Here is an outline of an ideal integration workflow:

- Bills are input into the bill review platform
- Bill review platform recommends adjustments on the bills
- Claim system commits the bill and approval to pay back to the bill review system
- Payments are transmitted to the provider with the compliant remittance information attached
- Claim system is updated on a daily basis with payment information (i.e. sent date, changes in payment type, and cashed date) via system integration

3 Provider Engagement

An electronic payment solution should have a robust provider engagement program in order to facilitate successful electronic payments on behalf of a claims organization and reduce noise. Asking these questions can help you to fully understand if an electronic payment vendor is committed to building meaningful relationships with providers.

☐ **Does the payment vendor have an opt-in or opt-out model for providers? Do providers have the option to select from multiple payment methods before payments have been made?**

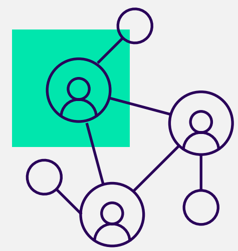
The most effective manner of delivering provider payments is through a true opt-in model. An opt-in model creates a proactive agreement with a specific provider, which helps ensure both payment and remittance information are delivered in a format that is pre-approved by the provider. This can create additional payor efficiencies, reducing provider call volume by 50 percent, lowering paper costs and increasing electronic penetration.

☐ **How do providers know they have received payment? This can be especially problematic if a compliant remittance (EOR) is not sent with payments.**

For any payment process, it is critical that the provider receives an EOR with every payment that is delivered. When aggregation of EFT payments occurs, providers can receive EOR's without the payment. Delivering EOR's to providers using a pre-approved method can reduce confusion, complaints and duplicate billing.

☐ **Who does the provider contact/call if there is an issue with payments?**

A provider call center is an important factor to consider in any payment program. Integration between the claims organization, bill review partner and payment vendor ensures that regardless of call type (fee schedule inquiry, question about network participation or payment status request), the individual that answers the call knows how to handle the request. They should be equipped to provide a warm transfer to the right person, reducing calls routed to incorrect parties. By defining clear operating and call-routing rules, significant provider noise can be avoided, helping to create a seamless adjuster experience. In the opt-out model, there is typically a 50 percent call volume increase from providers compared to an opt-in model, based on Mitchell research.



Asking the questions above, before selecting a payment solution, will help ensure you select a partner that can deliver the best outcomes for your organization.

To learn more about Mitchell's electronic payments solution, visit us at mitchell.com/solutions/casualty/epay.

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